Northwest Forestry Development Plan

SERM

Saskatchewan's Growing Forest Sector

Since the Premier announced major expansion plans in April of 1999, Saskatchewan's forest industry has been growing steadily. Based on a solid foundation of integrated land use and forest management planning, with extensive pubic involvement, developments have been achieved while ensuring that the long-term health of the forest is protected. From the beginning, forest sector expansion has been grounded in the following principles:

- sustainable forest management
- diversity in the forestry economy, with an emphasis on value-added industry
- effective use of the province's sustainable wood supply
- the direct participation of Aboriginal and northern communities in new developments

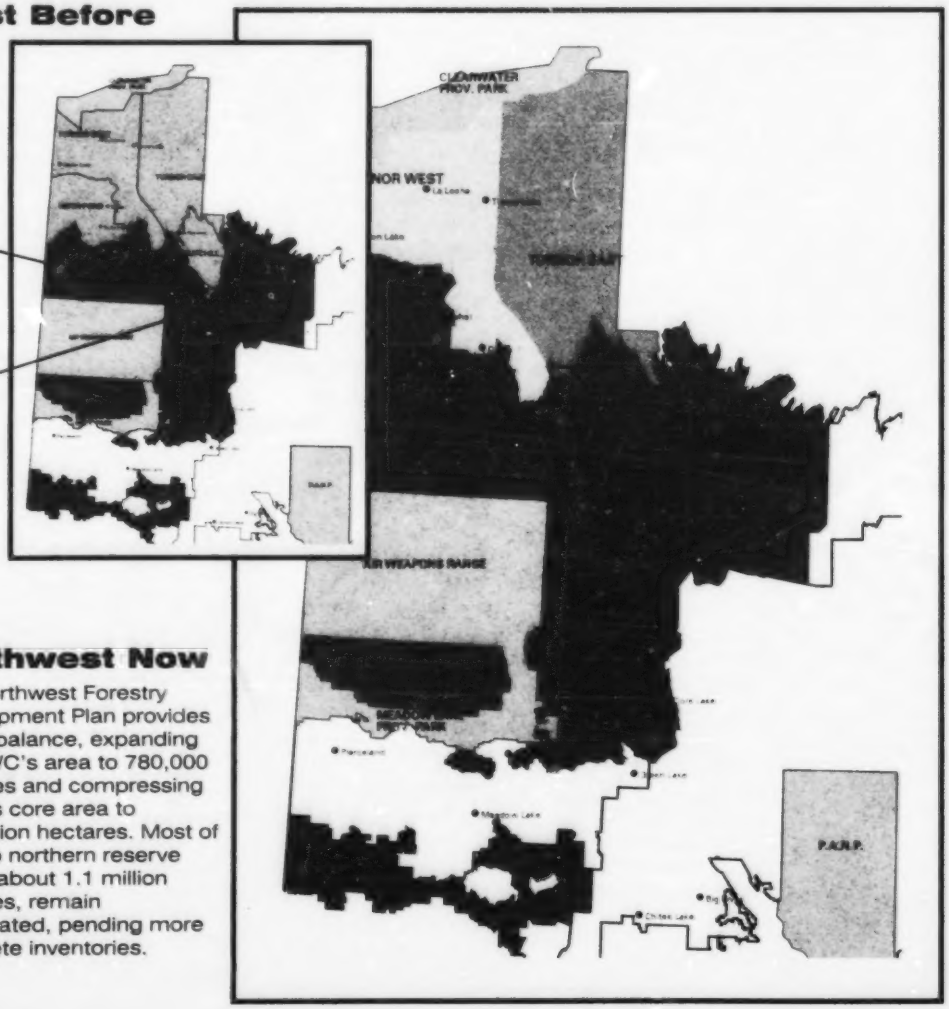
A Sustainable Future for Northwest Saskatchewan — The Vision

Developments are underway that are in keeping with the overall provincial plan and reflect a vision shared by many in the northwest region:

- **Sustainable forest economic development** — development that is a good fit with the forest resource in the region, providing long-term jobs and economic benefits, and improving forest ecosystems
- **Self-sufficiency** — building local capacity to supply needed skilled workers and service businesses
- **Community control and benefits**— moving toward true co-management where management decisions are shared with local people and the benefits remain in the region
- **Co-operation among all the communities of the region** — working toward a community-based forest management partnership in the northwest, stretching from Pinehouse to the Alberta border

Northwest Before

Before 2001, Mistik's FMA area, core and reserves, included much of the northwest forest, about 3.4 million hectares. In 1999, the NWC was allocated 600,000 hectares from the former Weyerhaeuser licence.



Northwest Now

The Northwest Forestry Development Plan provides a new balance, expanding the NWC's area to 780,000 hectares and compressing Mistik's core area to 2.2 million hectares. Most of the two northern reserve areas, about 1.1 million hectares, remain unallocated, pending more complete inventories.

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What Are the Projects?

Beauval Sawmill — The Northwest Communities Wood Products (NWC), a partnership of Beauval, Green Lake, Ile-a-la-Crosse, Patuanak and Pinehouse, has a wood allocation from the Besnard Block, once part of Weyerhaeuser's agreement area. The NWC is working toward a long-term Forest Management Agreement (FMA), and plans to build a sawmill at Beauval.

As part of the northwest development plan, the NWC partnership will expand to include other communities, beginning with Buffalo Narrows. The company's FMA area will grow to include the Churchill Block and a portion of the Turnor Block, both formerly licensed to Mistik Management.

Oriented Strand Board Mill — The Joint Venture Partnership, which includes Tolko Industries, Millar Western and NorSask, plans to build a $175 million Oriented Strand Board (OSB) mill near Meadow Lake. OSB is a strong, economical panel material, made from small strands sliced from small diameter logs, bonded together under heat and pressure.

Tolko is a new company to Saskatchewan but is well-established in BC, Alberta and Manitoba. Tolko will operate the mill. The NWC will own a share, up to 10 per cent, of the OSB mill. Therefore, all the communities in the region will share in the benefits of this development.

Buffalo River Sawmill — Mistik will keep a portion of the Turnor Block, referred to as the Peter Pond Block — enough to supply a sawmill on the Buffalo River Reserve, near the community of Dillon. This mill is already built and running. The communities of Dillon, Michel and Turnor Lake will be offered the opportunity to buy a share in the mill.

Post Plants: Buffalo Narrows, Pinehouse — There is a supply of wood in the area that is suitable for the production of high-quality posts. Preliminary work is underway to develop business plans for opportunities for post plants in Buffalo Narrows and Pinehouse.

La Loche — La Loche and area communities have been given an allocation from Peter Pond and encouraged to work with the NWC, as well an opportunity to submit a proposal for some wood in the Turnor Block. Work is in progress now to get better inventory data for the Turnor Block; this information is needed to determine a sustainable harvest level.

Small Sawmill Operators — A number of small forest businesses have been using annual harvesting permits to run their mills. To enhance the security of these operations, SERM will be giving long-term wood allocations to small operators that have shown their commitment to sustainable forest harvesting practices.

Other Developments — Also under discussion is the construction of a centralized lumber finishing facility for the region. As well, government is actively pursuing a user for surplus wood chips — a by-product of the expanding lumber industry. Together, these improve the business case for all the area's sawmills by making it feasible to produce higher value wood products in the region, as well as providing a market for their chips.

Opportunities for Training — All these forest businesses will need a trained and skilled workforce. Many agencies, including SERM, Northern Affairs, Post-Secondary Education and Skills Training, First Nations and Métis organizations, educational institutions, are working together to make sure that training is available. Focusing on training now means that when the new businesses are ready to begin operation in the coming months and years, trained people will be ready to fill the jobs that become available.

Making It Happen — Financing the Plan

The last two years have shown that getting needed financing from financial institutions for northern forestry businesses is a challenge, particularly for new players like the NWC. Adequate financing will be crucial for communities to take full advantage of opportunities.

Crown Investments Corporation (CIC) has an important role to play in making the plan work. CIC has been directed to offer financing to the NWC for their Beauval mill and to purchase the equity in the OSB mill. This will be a loan, to be repaid out of the profits generated by the businesses.

Government departments are also assisting in a variety of other ways. Saskatchewan Northern Affairs is providing $350,000 toward inventory work, with SERM contributing its forestry expertise. This priority work is underway now and will continue through the summer, using northern workers. The project will not only provide needed information about the forest but also opportunities for northerners to gain experience in the science of forest management.

Respecting the Land

The elders have stressed the importance of respecting the land and making sure that nothing done in the forest jeopardizes its long-term health. The government, too, is committed to this principle. There are steps that must be taken before FMAs can be signed to ensure that governments, forest companies and all forest users live up to this commitment. Without this, all the talk about forest harvesting and economic development means nothing.

First, it must be determined how much can be harvested sustainably from the areas involved. It's important to understand that a sustainable harvest does not mean cutting every available tree. In fact, it is likely that, on average, less than one half of one per cent of the area will be harvested in any given year. Some areas will never be harvested. To decide on a sustainable harvest level, the following elements must be in place:

- A complete forest inventory, with work beginning this summer using northern workers
- An integrated forest land use plan (or plans) for the area — together, SERM and local people will set objectives for the land and develop strategies to achieve them. These will establish how forest developments must fit in with other values, like trapping, hunting and fishing, and determine the effect on harvesting levels. The size and diversity of the area may mean that more than one planning process is needed. Plans take from two to three years to complete.
- A Forest Management Plan and Environmental Impact Statement (EIS) — In Saskatchewan, a forest company pursuing a FMA must complete, with public involvement, a 20-year plan with an accompanying EIS. These documents describe exactly how the company intends to manage the forest and outline potential environmental impacts of their plan and how they will deal with them.

When all this has been done, everyone involved can be confident that all decisions are based on sound information about the forest and about the impacts of the proposal, while considering the needs and wishes of local people.

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